

## SRF Guidance and Checklist For Loan Recipients

Project Name \_\_\_\_\_

Project Number \_\_\_\_\_

On the Web at <http://www.nccgl.net>

### **Engineering Report**

The following link provides guidance.

<http://www.nccgl.net/Engineering/plans.html>

Date Engineering Report Approved \_\_\_\_\_

### **Plans & Specifications**

The following link provides guidance.

<http://www.nccgl.net/Engineering/plans.html>

Date Plans & Specifications Approved \_\_\_\_\_

### **Loan Application**

Applications for State Revolving Fund (SRF) loan assistance may be downloaded from the Construction Grants and Loans (CG&L) Section website. The application contains 4 pages, two Local Government Commission (LGC) Forms 108A and 108C and a Resolution. Interest rates for loans are set on March 31<sup>st</sup> of each year at ½ the 20-year bond buyers index. The LGC sets the term with a maximum term of 20 years.

Applications will not be submitted to the Local Government Commission until an Engineering Report has been approved by CG&L. The LGC meets on the first Tuesday of each month. An application must be received in their office three weeks prior to this day in order to be considered for approval. This approval is not a funding commitment. It is required to ensure that the unit of government has the ability to repay borrowed funds.

Date Application Submitted to CG&L \_\_\_\_\_

Date of LGC Approval \_\_\_\_\_

### **Other Documents Required**

- **Sewer Use Ordinance and User Charge System** (Guidance on website)
- **Engineering Contracts for Planning and Design and Construction Phase Services.** Planning and Design limited to an allowance calculated based on bid amounts. Construction phase service contracts must be structured according to a rate schedule with a ceiling amount.
- **EPA 4700 compliance form**
- **Clear Site Certificates**
- **Inter-Municipal agreements if applicable**

## Loan Offer

After approval of the Loan Application, CG&L prepares a formal Loan Offer. Two copies are prepared. It takes approximately two weeks for CG&L to receive the Loan Offer signed by the Secretary of the Department of Environment and Natural Resources. When CG&L receives the signed Loan Offer, the Governor's office is notified so that a letter announcing the Loan can be mailed. A week is allowed for this letter to reach the local unit of government before the Loan Offer is forwarded to the loan recipient. Several attachments are also included. The loan recipient should sign and return one copy to CG&L with a resolution accepting the loan offer and keep the other copy for their files. In the event of bids that exceed the project budget, a loan increase for up to 10% but not over \$500,000 dollars can be authorized without approval of the LGC. Amounts above these require a new application to be submitted to CG&L for LGC approval. The SRF 2% Closing Fee is invoiced when CG&L receives a copy of the executed Loan Offer. It is due 6 months from the date of execution.

Governor's Letter Received \_\_\_\_\_

Dated \_\_\_\_\_

Loan Offer Received \_\_\_\_\_

Date of Secretary of DENR's Signature \_\_\_\_\_

Date of signed acceptance by unit of government \_\_\_\_\_

Interest Rate \_\_\_\_\_%      Term \_\_\_\_\_years

## Authority to Award

The contracts may be advertised as soon as plans & specifications are approved and permits are issued. NC General Statutes require the project to be advertised for 7 days, however the Construction Grants & Loans section requires projects be advertised for 30 days. For the initial advertisement period, three bids must be received in order for an award to be made. The Plans & Specifications approval letter has the Project Review & Cost Summary form attached. It and the other information described in it must be submitted to and approved by this office before contracts can be awarded. This information is as follows:

- Project Bid Information Form (Formerly the Project Review and Cost Summary Form), signed by authorized representative
- Sealed bid tabulation
- Proposals of the successful bidders
- Tentative award resolution from loan recipient subject to CG&L's approval

- Proof of Advertisement
- Engineer's recommendation
- Debarment Certification
- MBE/WBE requirement. In addition to the North Carolina affidavits, proof of good faith efforts is a federal requirement regardless of the total awarded to MBE/WBE firms. Please see the SRF Special Conditions under Permits and Engineering on our website.
- Clear Site Certificates if not previously submitted

Date Project Bid Information Form submitted to CG&L \_\_\_\_\_

Date of Authority to Award (ATA) Letter \_\_\_\_\_

### **Contract Document Approval**

This is the last step before a promissory note will be drawn up and funds can be reimbursed. CG&L will invoice the unit of government for closing costs at this point. Approval of contracts requires the following:

- Contract must be fully executed
- Notice to Proceed must be executed by owner and contractor
- Bonds must be dated on or after contract date
- Original power of attorney must be dated on or after bonds
- Insurance must be current
- All documents must be bound with the specifications

Date executed contracts submitted to CG&L \_\_\_\_\_

Date of Contract Approval \_\_\_\_\_

### **Construction Phase and Reimbursements**

#### **Inspections**

Coordinate the Preconstruction Conference with the CG&L Inspector assigned to project.

Your Inspector is: \_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

#### **Promissory Note**

Amount of Loan as drawn up in promissory note: \$ \_\_\_\_\_

This amount and what it covers, is detailed in the ATA letter.

#### **First Payment**

- Capital Project Ordinance required.

- First reimbursement request typically includes planning & design costs, bidding and other up front costs.

**90% payment milestone**

- O&M manuals must be approved. Approval Date \_\_\_\_\_
- Sewer Use Ordinance and User Charge System must be approved. Approval Date \_\_\_\_\_
- All sales tax certificates must be submitted. Monthly tax reports should have been being sent with reimbursements but taxes are not withheld until now.

**Project Closeout and Final Reimbursement**

Anything to be reimbursed must be approved by this office. This includes small purchases, engineering and engineering amendments, and change orders. Also land appraisals are eligible but no other land costs unless the land is part of the treatment process. Final payment requires the following:

- CG&L inspector must issue final inspection report signifying that project is complete and all concerns have been satisfied. A closeout checklist will have been presented prior to the final inspection.

Final Inspection Date \_\_\_\_\_

- All final invoices showing zero retainage must be submitted.
- Engineer’s and Owner certifications.

Engineer’s Certification Date \_\_\_\_\_

Owner’s Certification – Date of 100% Completion \_\_\_\_\_

**Repayments**

Repayments begin on the May 1<sup>st</sup> or November 1<sup>st</sup> that is between 6 months and 12 months after project completion. The May 1<sup>st</sup> payment includes principal and interest and the November 1<sup>st</sup> payment is only interest. **Interest begins to accrue from the date of completion on the Notice to Proceed.** For multi-prime contracts the General contract will be used to set this date.